

Social Credit Manual

Social Credit as applied to the Province of Alberta

Written By
Wm. ABERHART, B.A.

Puzzling Questions and Their Answers

SOCIAL CREDIT

Social Credit Association for the Province of Quebec

Address all correspondence to the Secretary, Roger Poirier, P. O. Box No. 9, St. Henri, Montreal

Meetings every Sunday, at 2.30 p.m., at the quarters, 1408 Montcalm Street, 2nd floor, Montcalm Hall, corner St. Catherine, Montreal.

For sale: 1. Social Credit Manual, bilingual, by Aberhart .... 10 cts.

2. Qu'est-ce que la technocratie (study of the Economic Questions .... 25 cts.

BRANCHES

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PREAMBLE

IT IS NOT VERY difficult for most people to understand the philosophy of Social Credit, and the three simple fundamental principles are also easy to comprehend. With some the application of these principles to the affairs of the province as a whole and to the various units within its boundaries does present numerous problems, and it is to the solution of these peculiar problems that this pamphlet is directed.

This is not a detailed plan containing exact specifications of every feature. Such a plan can only be prepared when the operation of its establishment is about ready to begin and the facts and figures are all well-known. Our people must not be confused in this matter. A man may have in mind the general outline of the character of the house he intends to build. He may know the number of rooms that he intends to have and their relation and connection one with the other, but he does not ask the architect to draw the plan until he knows the size of the lot, the position in which the house will be placed, the materials available and so forth. So it is with a detailed plan for Social Credit in the Province of Alberta. It is surely evident that the Plan for Scotland, for example, will not do for Alberta. The circumstances, the resources, and the people are so different.

This booklet is intended to give a comprehensive, general outline.

Should we omit any real feature of distressing importance, we trust that our readers will inform us so that it may be added in our next issue.

Be sure to spread this booklet far and wide.

WILLIAM ABERHART,
516-8th Avenue West, Calgary, Alta.

June, 1935.

THE FOUNDATION AND SUPERSTRUCTURE OF SOCIAL CREDIT IN OUTLINE

This is Not a Detailed Plan for the Province of Alberta.

Our Basic Premise.

It is the duty of the State through its Government to organize its economic structure in such a way that no bona fide citizen. man, woman, or child, shall be allowed to suffer for lack of the bare necessities of food, clothing, and shelter, in the midst of plenty or abundance.

The Province of Alberta is Wealthy Enough to Carry Out This Proposal.

The Canada Year Book, 1933, page 870, gives Alberta the next to the highest place with regard to her wealth per capita. Her total estimated potential wealth is $2,406,000,000, or that is, $3,518 per person. British Columbia leads with $4,012 per person. Ontario, the wealthiest province with the greatest population has $3,188 per person. Nova Scotia, the weakest of the provinces has $1,769 per person.

If Alberta cannot provide for the bare necessities of her people, what can the other provinces, especially Nova Scotia. do? Alberta cannot ask Ontario or Saskatchewan or Quebec to provide for her people. That would be unreasonable. They have all they can do to provide for their own.

So the claim must be admitted, Alberta can and must feed. clothe, and shelter her own people, or they must suffer. No one else can be expected to do that which she must accomplish for herself.

In Alberta last year the total market value of all the raw products, grain, fruit, fodder, dairy, live stock and so forth was $152,878,863, which is about six per cent of our total estimated wealth. It is, therefore, evident that we do raise enough to care for our people. We must not forget, however two facts about these figures: First, the value is figured at present-day, low market prices. Two, the amount stated is for the raw products, which are often processed, increasing their value from three to fifteen or twenty times that of the raw product. For example, a

bushel of grain at sixty cents will produce $3.50 worth of bread.

With these figures in mind it is plainly evident that we could feed, and clothe and shelter our people and still have many million dollars' worth for those who are capable of earning through individual enterprise.

This should convince our readers that Social Credit is not based on any confiscation scheme by which we take the wealth of the rich or well-to-do to give to the poor. Social Credit recognizes individual enterprise and individual ownership, but it prevents wildcat exploitation of the consumer through the medium of enormously excessive spreads in price for the purpose of giving exorbitant profits or paying high dividends on pyramids of watered stock.

People who have bank deposits or insurance policies with cash surrender value need not be alarmed in any way. There will be no confiscation or demand made upon the citizens for these, or for bonds or bank deposits that they already hold. Neither shall there be any interference with the right of the citizens to bequeath or leave their property, real or personal, to anyone to whom they desire to leave them.

Social Credit Diagnoses the Economic Disease of Today

Symptoms must be distinguished from the actual cause or root of the trouble:

(1) The surplus of goods is not the cause of our distress. Our trouble is not over-production. People still are in need of much of this surplus. Exporting it, therefore, just to reduce its quantity, is no remedy. Putting quotas on production, also is in reality criminal, while there are still people in dire need. Sabotage or wilful destruction is also vicious and will not help the case in any way.

(2) The lack of employment is not a cause, but a symptom of our real trouble. It was the inventive genius of men that created the machine to do the work so man might have leisure. Leisure is not idleness. It is the opportunity to do the work which the man desires to do. Merely smashing up or ditching the machines would be the work of idiots. Producing unnecessary employment through great schemes of public works is merely a

palliative and a very poor one at that, for it creates an immense debt which will produce taxes beyond the dream of mankind. Besides these great schemes of public works would not decrease unemployment unless you refuse to use machinery. It is generally understood by those who have examined the case, that unemployment is a permanent disability of the modern state.

(3) Social Credit points out the three great poisons at the root of our trouble:

(a) There is a lack of purchasing power in the hands of the consumer. If one man does the work of three men for the same pay, then the two men displaced will have no purchasing power. If a machine does the work of twenty men, at the pay of one man, then the twenty men displaced will have no purchasing power.

As the people have no purchasing power, they cannot get the goods that are piled high in the factories and warehouses. Thus there is no need to produce more, and the great factories become silent and there is much less purchasing power. So the disease becomes very bad, for we have fallen into the vicious circle.

(b) Besides this the price spread has shown by investigation, that wildcat profiteering is going on. This intensifies the trouble by making the purchasing power less efficient. The dollar will not secure as much goods as it formerly did.

(c) Finally, the investment of surplus funds leaves the realm of commerce, where huge profits are the aim, and enters the realm of bond investments where interest is the main consideration.

Thus the flow of credit is retarded so that a high rate of interest may be maintained. Today about fifty-one cents out of every dollar taxes collected is required for the payment of interest on bonded debt. The whole country is gradually sinking into a morass of debt out of which it will be difficult to recover itself. Some are now forced to borrow to pay interest on the debt that they have already accumulated.

SOCIAL CREDIT AS A REMEDY

The Social Credit Proposals Go Right to the source of the Trouble.

To understand the Social Credit philosophy it is necessary for the individual to get the language or terms used in Social Credit:

(a) We have four chief terms:

1. CULTURAL HERITAGE. This is the inheritance that falls to the right of the individual citizen living within the bounds of the province. The pioneering work of our forefathers and the inventive genius of scientists and others have enabled mankind to harness the solar energy and produce machinery that will do the work that was formerly done by mankind. The great wealth of our natural resources has, by this means, been brought to the very door of the individual consumer. Social Credit claims that each of these consumers has a right to a share in the production from the natural resources of the province. At the present time this great wealth is being selfishly manipulated and controlled by one or more men known as the "Fifty Big Shots of Canada." Social Credit claims that this cultural heritage is the property of the individuals who are bona fide citizens of our province, and should never be allowed to go entirely to the control of any small group of men. We call this heritage cultural because it gives the individual an opportunity to develop his individuality.

2. Basic Dividends

The cultural heritage is made operative by the regular issuance of dividends from month to month sufficient to secure for the individual citizen the bare necessities of food, clothing and shelter. Social Credit claims that this is the least that could be offered to any citizen. It is wholly unreasonable to expect any person or group of persons in a province as wealthy as Alberta to exist without the bare necessities of food, clothing and shelter. To enable each citizen to secure these bare necessities, each of them will receive a pass-book in which at the beginning of each month will be entered the basic dividend for that month, say $25.00. This is supposed to provide for the bare necessities of food, clothing and shelter for every bona fide citizen, whether he works or does not work, and he shall not be required to pay it

back or work it out. The only stipulation will be that the recipient must co-operate in every way possible. Those who work will be given their salaries, wages, or commissions over and above the basic dividends. This would at once remove all relief and dole from our land and recover the morale of our people. Our bona fide consumers will at once have purchasing power amounting to $10,000,000 dividends, and probably in addition $20,000,000 salary, wages, and commission.

Basic dividend credit will be used by means of non-negotiable certificates issued in blank to each consumer.

3. Non-negotiable Certificates.

These are blank forms issued to each bona fide citizen to enable him to fill in the amount and signature, also the name of the recipient to whom he is transferring the credit. As it is non-negotiable, the person receiving the certificate must of necessity deposit it in the bank or Provincial Credit House. When this is done the issuer is debited in his account and the recipient is credited in his account. The recipient, therefore, is able to issue another non-negotiable certificate of his own to pay his debts, and thus the circulation of the credit is possible. It is very evident to anyone who follows this thus far that this issuance of free dividends in order to prevent the province from continuously getting into debt, must be recovered in some scientific manner without introducing a huge tax scheme. This leads us to the fourth term .

4. The Unearned Increment.

This expression means exactly what it says. There is an increment or increase in price, and this increase is not earned by the owner or the producer of the goods. The term is well known to those who have dealt in the buying or selling of land. If a man sells a piece of property for more than he pays for it the Government claims rightly that he has an unearned increment and they proceed at once to tax him. However, this does not apply alone to land.

A Coal Mine situated far from civilization or without transportation would be of little value to anyone except in so far as it could be used for his personal needs. If ten people lived near

it, it would be more valuable. If a thousand people were within reach of it, there would be that much greater demand for the coal, and, therefore, it would be a greater price. Thus the price of the coal above the cost of production is largely dependent upon the demand caused by the association of individuals in its immediate vicinity. Neither the owner nor the miner are responsible for this increased price. It is an unearned increment which accrues from the association of the people within the bounds of the land controlled by them. It sometimes goes by the name of price spread.

THE GENERAL OUTLINE OF THE SYSTEM

(a) Three factors constitute this wondrously simple plan:

1. Basic dividends are to be given to every bona fide citizen in the form of credit (not money) to provide for his bare necessities of food, clothing, and shelter.

2. An automatic price control system will be introduced to fix a Just Price at which goods and services will be available.

3. Provision will be made for a continuous flow of credit.

(b) These three factors can be introduced into our present system without a very great upheaval of social, commercial or political interests, but they will effectively change the whole system in a very short space of time:

1. Business transactions would at once take on new life, and

2. Increased consumption would, before long, call for more production and that would mean more employment.

THE THREE FACTORS OF THE SYSTEM EXPLAINED

(a) The Basic System of Dividends and the Encouragement of Individual Enterprise. The State shall be viewed by its citizens as a gigantic joint-stock company with the resources of the province behind its credit. The bona fide citizens are each and all shareholders entitled to basic dividends sufficient to provide the bare necessities of food, clothing and shelter for each

individual and his family. The qualifications of citizenship shall be clearly defined and rigidly enforced. No citizen shall be allowed to barter away or otherwise dispose of his basic dividends beyond the extent of the then current month, and thereby become a vagabond or tramp with no fixed place of abode or sustenance. Basic dividends, should be $25 a month for every bona fide citizen, male or female, twenty-one years or more. Children of bona fide citizens sixteen years old will receive $5 a month. Those seventeen and eighteen years old will receive $10 a month. Those, nineteen. $15, and those, twenty, $20.00 a month. (These figures are merely suggested for illustration purposes.) This basic dividend rate may be changed at the end of any period to suit the standard of living then prevalent. These dividends are not to be given on a basis of so much work done, but as a bare support of citizenship, loyalty to the State and the best interests of the country. Salaries or wages for work done will be paid as now. but in credit, not money. Any who are handicapped physically or mentally should be given bonus dividend protection. Individual enterprise must be encouraged in every way possible.

(b) The Price Control Under Social Credit.

Periodically a commission of our best experts from every sphere of life will be assembled for the purpose of deciding upon a fair and just price for all goods and services used in the Province. This price must give the producer, importer, or distributor, a fair commission on turnover, and, at the same time, must not exploit the purchasing power of the consumer. Excessive profits will thus be eliminated. To help make consumption balance and control production a compensating price will be declared from time to time. This compensating price will be fixed according to the following formula:

$$\text{Market Price} = \frac{\text{Total Consumption}}{\text{Total Production}} \text{ X Just Price.}$$

The difference between the Just Price and the compensating price will be made up to the retailer or consumer much in the same way that the basic dividends are issued and recovered.

(c) The Provision for Continuous Circulation of Credit (Not Money).

Credit is the life blood of the State or community. Under no circumstances must it be allowed to stop its flow. All basic dividend credit and all salaries, or wages or incomes from whatever source, must be expended by the end of the year following the receipt of the same. To encourage individual enterprise and to enable the individuals to provide more adequately for the future, surplus credit may be used to purchase Government Bonds, maturing at a later date, for himself or for another. All producers will be allowed temporary, supervised credit to enable them to serve the citizenship in the best possible way. Direction should be given from time to time as to the products most needed. In order that credit may be adequate to provide and distribute goods, the state must be prepared to issue credit without interest to bona fide producers and distributors. This will prevent hoarding for the sake of making high interest.

QUESTIONS AND ANSWERS

1. Where will all the money come from to pay all these dividends?

ANSWER.—The dividends will not be paid in money, but they will be issued in the form of credit much in the same way that the banks issue many of their loans at the present time.

The citizen will be given a dividend book and a book of blank, non-negotiable certificates. Each month he will be required to present his dividend book at the branch State Credit House, when a credit entry of $25 will be made. If he earns wages, these will also be entered on the credit side.

When the citizen desires to purchase goods or services, he will merely fill out a blank non-negotiable certificate for the amount of the goods or services secured by him and, after signing it, pass it over to the party with whom he is dealing.

This non-negotiable certificate is not transferable by the creditor to anyone else and must be deposited in the State Credit House Branch.

There will be no new money issued.

2. Where will all the credit come from to pay the basic dividends?

ANSWER. — The credit issued will be a charge against the Natural Resources of the Province much in the same way as the present Government Bonds are.

3. Will not the issuance of the Basic Dividends rapidly sink the province into an enormous debt?

ANSWER.—The scientific system of recovery through the cycle of credit will have to be introduced at the same time that the Basic Dividends are issued. This must not be a gigantic scheme of taxation. It has been called to the attention of the public that there is an enormous spread in price between the producer's cost and the consumer's price. It is the intention under the Social Credit system to reduce this spread, increasing the producer's cost so that he may have a far turn-over if it is not at present adequate, or reducing it if it is too high. The same procedure will be followed all the way through in the marketing or processing of the goods. On account of the increased turn-over that will be produced by the augmented purchasing power through dividends, salaries, commissions and so forth, it is felt that the producer and distributor will be able to carry on their business with a closer margin of profit or commission on turnover. Thus the province will be able to collect a levy that will provide the basic dividends to distribute to the various citizens. To illustrate this let us take a bushel of wheat say at a just price of sixty cents. Fifty-five cents of this is to go to the farmer and will provide a fair commission on his turn-over. Five cents will be set aside for the Government Levy. The wheat is sold to the miller who grinds it into flour. The cost of grinding will be covered by the shorts and bran and other by-products of the process. This will produce about forty pounds of flour. We will suppose that the flour sells for $1.10, ten cents of which is again given to the Government as its levy. The flour is next turned to the baker who makes it into bread which he sells at seven cents a loaf. The forty pounds of flour with the water and other ingredients would make fifty loaves of bread. Suppose the Government Levy on this bread was a cent a loaf. That would give an additional fifty-cents levy. Thus from a bushel of wheat, processing it to

Here is a sample of Non-negotiable Certificate:

$ .... 100 ....198....

STATE CREDIT HOUSE BRANCH

....
Address

This is to certify that I am in debt to .... for the sum of

.... ———— Dollars
100

for ....

Please credit him and charge to my account.

No. ....

flour, the Government would be able to collect possibly sixty-five cents. This will also apply to other goods that will be processed or marketed in the Province. Now the amount of dividend required will depend upon the rapidity of the flow of goods and credit within the province. I am told on good authority that the town of Vermilion did $8,000 worth of business with $1,000 of post-dated cheques in four months. That is a circulation of twice a month. If the circulation in the Province was only once a month, we would have to recover ten million dollars only to carry on the full issuance of the basic dividends as long as they remained at $25 a month. Four hundred thousand people at $25 a month would amount to $120,000,000 per year. If the cycle was once a month, ten million dollars worth of credit would handle it all. If it was twice a month as in the town of Vermilion, five million dollars worth of credit would handle it. This problem would be carefully gone into by experts.

4. Will basic dividends have to be spent for food, clothing and shelter only?

ANSWER. — Not necessarily. If the citizen can curtail his living expenses by raising his own products, he would be able to purchase a few luxuries with the balance. The only requirement necessary would be that all bills for food, clothing and shelter must be met before the luxuries can be bought.

5. What if a citizen squandered his dividends and was hungry or improperly clothed?

ANSWER. — The Credit House Inspector would warn the citizen that he was abusing his rights and privileges and that it must be stopped or he would lose his dividends. If necessary, he could be put on an Indian list.

6. What would be done if a citizen would not cooperate or refused to work when opportunity called for it?

ANSWER. — Immediately after such conduct was called to the attention of the State Credit House Inspector, the offender would be warned that if he persisted in refusing work, his dividends would be cut off or temporarily suspended. Then, as there is no relief or dole, he would be compelled to work.

7. Has the Provincial Government the legal right to fix prices?

ANSWER.—Yes, the B.N.A. Act gives the Province full power over the trades to prevent the exploitation of the consumer's purchasing power. The Dominion Marketing Act required the consent of the Provincial Government. The price of gas in Calgary and Edmonton is fixed by a commission appointed by the Government.

8. How can we fix the price of goods which are imported?

ANSWER. — We begin with the price as shown by the incoming invoice. To this we add commission, overhead, unearned increment and so forth, and we thus fix the Just Price.

9. If the price of goods outside the Province was less than our Just Price how could we prevent their import?

ANSWER. — There would be no gain made by importing these cheaper goods. As soon as they arrive, there would be an unearned increment levy added to the price to make it the same. Furthermore, why should prices for staple products that we produce be cheaper elsewhere than here? We must protect our producers and distributors. If they cannot compete with the other parts of the world, then they should try doing something else.

10. If the price of goods on other markets were higher than that of our goods, what would be the result?

ANSWER. — The producers would receive the just price and also a large share of the extra price above it. An extra unearned increment levy would be collected by the Government in that case.

11. If the price of wheat on the World Market was fifty-five cents and our Just Price was sixty cents, how would we be able to export our wheat?

ANSWER.—The Government would allow the farmer a bonus of five cents on his wheat and they would collect it back by an unearned increment levy on the imports, thus balancing imports with exports. The ratio would be maintained. For example, if forty bushels of wheat are balanced with a suit of clothes, if wheat is fifty cents a bushel, the clothes should be $20 a suit. If Wheat is sixty cents a bushel, the clothes should be $24 a suit. If we give the farmer $24 for forty bushels of wheat

of which the Government bonus is $4, when the $20 suit of clothes comes into Alberta, we would levy $4 on it so that the same ratio would be maintained.

12. How could we pay external accounts under the Social Credit System?

ANSWER. — The Social Credit System has nothing whatever to do with foreign payments. It is a scientific method of distributing goods within our province. The payment of external accounts would be done just as they are to-day. The debtor would buy at the Post Office or State Credit House a Money Order on the external place from which the goods came. He would pay for this Money Order by issuing a non-negotiable certificate. The Money Order would then be cashed by the Creditor and the debt would thus be transferred to the Government and become a part of their actual Balance of Trade.

13. Will the primary producer, the farmer not have to bear the whole of the unearned increment levy in the recovery of the basic dividends?

ANSWER. — No. The unearned increment levy comes out of the price spread. A definite illustration may suffice to show the folly of such a statement. Let us fix the Just Price on a bushel of wheat. Seed, five cents; wages, nine cents; machine expense, nine cents; insurance, three cents; overhead, wear and tear, ten cents. Total flat cost, thirty-six cents. Elevator and marketing charges, seven cents; commission to farmer, twelve cents; unearned increment, five cents; Just Price, sixty cents. Thus every bushel of wheat sold at sixty cents would guarantee to the farmer twelve cents clear of all charges, and bring to the Government five cents as an unearned increment levy. This five cents would not come out of the farmer, but out of the consumer who purchased the wheat. It is, therefore, a direct levy on the consumer and is within the rights of the Province. Bear in mind the unearned increment levy constitutes a part of the Just Price, and, therefore, will not be taken from the producers and distributors, but from the consumers who have been given the dividends with which to purchase.

14. Will the unearned increment levy not be excessively large?

ANSWER. — There are several elements that enter into this matter:

(1) The issuance of basic dividends will result in a very great flow of credit and of goods. When the farmer brings in his eggs and the people are able to buy them at a fair price he is at once enabled to buy his groceries and the grocer is enabled to pay for his clothes, and clothier to pay for his meat and so forth. All this business will be done with the same amount of credit. We might therefore expect that there might easily be from six to twelve times as much business done as we have credit issued.

(2) The unearned increment would be collected on each transaction, thus making the levy very small. To make this plain let us suppose that the unearned increment levy is five per cent. When the manufacturer sells $5 worth of goods, the Government, therefore, would get twenty-five cents Suppose the wholesaler sold these same goods for $6, the Government would get thirty cents. Then suppose the retailer sold them for $7, the Government would get thirty-five cents. The Government therefore is collecting in reality ninety cents from $5 worth of merchandise, or, that is, 18 per cent. of the manufacturer's cost comes from a five per cent unearned increment levy.

15. Will the prices of goods not increase on account of the unearned increment levy?

ANSWER. — No. A Government Committee of Experts will examine into the spread of price and fix a Just Price for the goods. This price will be fair to the producer, the distributor, and the consumer. It should be lower than the present price on account of the enormous price spread of to day.

16. How can just wages be fixed?

ANSWER. — Just wages are fixed to day by the Minimum Wage Act. Experts would fix the minimum and maximum wage just the same as they could fix the price of goods. It is understood, however, that wages must not be reduced on account of the issuance of the basic dividends.

17. What effect will basic dividends have upon the drink traffic?

ANSWER. — There is no real relationship between dividends and the drink traffic. Discouragement and discontent tend to the drowning of sorrow. Contentment and happiness will lead men and women from debauchery. The control of the drink traffic is separate and distinct from the economic problems of to-day. Men could not be allowed to spend the whole of their basic dividends on drink, and thereby be without proper food, clothing or shelter.

18. If a citizen wishes to save credit for a journey, to build a home, or enter into a special enterprise, what may he do?

ANSWER. — One of the best ways for him to do this would be to purchase Provincial Bonds with his savings so that they may mature at the time he intends to take the journey or build the home, or enter into a special enterprise. The State would then provide him with the necessary credit or money or traveller's cheques to enable him to carry out the enterprise, at the time of his intention.

19. Would the hoarding of credit by bonds not be detrimental to the System?

ANSWER. — No. The credit used in purchasing the Bonds would be at once distributed in one of four methods:

(1) Through the compensating price discount. People would be enabled to get their goods at a cheaper price.

(2) Through public works, the building of roads and bridges and public buildings for the purpose of giving employment and wages, thereby increasing the purchasing power which would enable the citizens to buy more goods.

(3) The increase in the rate of just wages.

(4) The increase in the basic dividend per month.

All these methods, would tend to balance consumption with production and would therefore not be detrimental to the System.

20. Will dividends always remain at $25 a month?

ANSWER.—No. We believe that the dividends will increase as the standard of living increases. We are not in favour of increasing the dividends, however, very rapidly at first. We

would be more favourable to the distribution of greater purchasing power by means of public works or price discounts. We feel certain that the amount of dividends per month will, however, be soon increased above $25.

21. What is meant by the Compensating Price?

ANSWER. — The Compensating Price is a price less than the fixed or Just Price. It is given for the purpose of increasing the sale of goods and is fixed in the following manner:

$$\text{Market Price} = \frac{\text{Total Consumption}}{\text{Total Production}} \text{ X Just Price.}$$

22. Suppose a citizen smuggled goods into the Province contrary to the Act, what would be done?

ANSWER. — Smuggling has always been looked upon as a criminal offense. The citizen would be duly punished.

23. What would you do if a person did not wish to join with the Social Credit idea?

ANSWER. — In the first place he would not receive any monthly dividends. It would be impossible, in the second place, for him to evade the Price Control feature. In the third place, he would have to be taxed just in the same way that he is taxed under this present system which he wishes to maintain.

24. Are the Non-negotiable certificates not contrary to the Bank Act?

ANSWER. — There are two exceptions noted to the Bank Act:

(a) A cheque on some chartered bank.

(b) A Promissory Note, Bill of Exchange, Bond or other undertaking for the payment of money, made or delivered by the maker thereof to his immediate creditor, and not designed to circulate as money or as a substitute for money.

A non-negotiable certificate is an undertaking for the payment of money made or delivered by the maker thereof to his immediate creditor, and not designed to circulate as money or as a substitute for money. Negotiability is an essential characteristic of money or script. Any undertaking for the payment of money

delivered by the maker to his immediate creditor which is non-negotiable, therefore, cannot be contrary to the Bank Act.

25. How would you fix the Just Price on the various grades of wheat?

ANSWER. — In the same way as you would fix the Just Price of the various grades of eggs, or any other article, or upon services. The grade would simply mean a slight reduction of the commission on turn-over of production.

26. If the prices of goods were all fixed, in what way could individual enterprise manifest itself?

ANSWER. — Individual enterprise would manifest itself in the character of the service rendered, the neatness and sanitation of the store, and the care of the goods, the ability shown in salesmanship.

27. What effect would the principles of Social Credit have upon advertising?

ANSWER. — There would be a decided decrease in the expenses of advertising. Advertising would be more real. It would, for the most part, call attention to the qualities of new goods offered on the market.

28. What effect would Social Credit have upon employment?

ANSWER. — Social Credit would at once increase employment. The increase in the purchasing power would create a greater demand for goods which would require more services, not only in retaining the goods, but in shipping them from the wholesale and in producing them in the factory.

29. Would basic dividends make the women too independent?

ANSWER. — Economic security is the right of every citizen, male or female. Women were never intended to be slaves, but helpmates. There would, no doubt, be more wholesome marriages consummated. They would not need to marry for a meal ticket.

30. Would the dividends be the same for large families as for small?

ANSWER. — No. There would have to be some adjustment for a large family. I do not mean by this that each child would be bonused.

31. How long must one live in Alberta to become a bona fide citizen under Social Credit?

ANSWER. — At the present time one must be five years in Canada and one year in Alberta before they can have a vote in the Province. The question of the proper qualifications of a bona fide citizen would have to be taken up and settled very definitely.

32. If I should leave Alberta, would I lose everything?

ANSWER. — No. You would be able to sell your property if you so desired. You could carry your bonds with you, if you preferred to do that. There might be a restriction upon anyone carrying away more than they and their loved ones could use for the rest of their lifetime.

33. Would there be taxation under Social Credit?

ANSWER. — Taxation would be at once reduced under Social Credit as we would cease borrowing. Gradually as our debts were eliminated, the taxation would decrease. It would seem that the local services of schools and so forth, and the Government expenses would continue to be secured by a tax. Of course, it could be possible to raise this amount by the Unearned Increment Levy just as the Basic Dividends would be recovered.

34. Would all bonds and saving accounts be confiscated or commandeered under Social Credit?

ANSWER. — No. It is not the intention of Social Credit to confiscate or take away anything from those that already have it.

35. How would you get free from public debt?

ANSWER. — The first step would be to transfer, as soon as possible, the foreign debt into a domestic one, so that all payments toward its liquidation would constantly circulate within the bounds of our own province. In thus transferring the debt an attempt would be made to reduce the interest rate.

36. How would you free individuals from private debt?

ANSWER. — The payment of monthly basic dividends and the guaranteed commission on turn-over would at once give all producers and distributors an income which would enable them to decrease their private debt. Later on the Province may be

able to help them to liquidate their debts with interest-free loans.

37. How could municipalities pay off their debts?

ANSWER. — Just as soon as the individuals began to get free from the debts they would better be able to help to pay off their municipal debt. The Province would have to consider the loaning of credit to the municipalities without interest in the meantime.

38. Would production loans be issued to anyone making application?

ANSWER. — No. Production loans would be issued only to those who were qualified to make use of the loan.

39. What would happen if the loan was misused?

ANSWER.—The State Credit House Inspector would have to keep a very close tab on the use of production loans. He would not honor any certificates that were issued except those coming within the jurisdiction of the loan.

40. How could a production loan be paid in case of crop loss?

ANSWER. — It is the intention of the Social Credit Government to see that insurance is carried on all crops under a production loan, and any others that may so desire it.

41. In case of death, can a person leave his possessions to others?

ANSWER. — Yes. He would have the same freedom as now. Of course, there would be Succession Duties also imposed.

42. Is it the intention under Social Credit to limit the income of the citizens to a certain maximum?

ANSWER. — Yes, it is, for no one should be allowed to have an income that is greater than he himself and his loved ones can possibly enjoy, to the privation of his fellow citizens.

43. What attitude will Social Credit take to new industries?

ANSWER. — We believe that there are three particular industries that might well be introduced into the Province at as early a date as possible, namely, the Boot and Shoe Industry; we have an enormous output of hides. Second, the Wool Industry, and the manufacturing of clothing; we should be able to

raise enough wool to clothe our own people. Third, the Sugar Beet Industry; this has proven to be profitably possible in our Province.

44. What will be the attitude of Social Credit to foreign capital?

ANSWER. — By the issuance of interest-free loans, foreign capital will find it very difficult to compete. Capital will find it very difficult to compete. Capital that is already invested in Alberta will be protected for its owners provided they co-operate in every way possible. Foreign capital that supplies our people with goods will be required to pay the unearned increment levy to enable our people to purchase their goods.

45. Does Social Credit involve socialization, nationalization, confiscation or expropriation?

ANSWER. — No. Social Credit stands for controlled individual ownership. It holds to the decentralization of power and supports the rewarding of individual effort to the full possible enjoyment of the good things of life.

46. What is the difference between Social Credit and Communism, Fascism, or Nazi-ism?

ANSWER. — Social Credit makes the individual supreme. The State bends all its efforts to protect his rights. Under Communism, Fascism and Nazi-ism the State is supreme and the individual must sacrifice all his rights or privileges for the welfare of the State as a whole.

47. What is the difference between the Social Credit System and a Social Credit Plan?

ANSWER. — The Social Credit System is the setting forth of the principles involved in the philosophy of Social Credit. A Social Credit Plan is one method of adapting it to any State, community or industry. The principles of electricity are the same wherever it is found. The plan of lighting a room may differ with the style or kind of room or with the whims or the artistic taste of the owner. It is the business of our experts to formulate and devise our own particular plan for this Province.

48. What do you actually mean by Social Credit?

ANSWER. — Social Credit is that form of credit which arises from the association of individuals together which enables them to make use of the goods and services as, when and where delivered, before they are destroyed, disintegrated, or seized by others. It involves a flow of real credit that manifolds its usefulness. It is the unearned increment of real credit secured by association. It is possible for a province such as Alberta to have an enormous real credit as stated above, and yet be unable to use the same. It may be able to supply goods as, when and where needed, but the people may be unable to use the same through lack of purchasing power because of the draining of real credit by financial credit. Social Credit differs from financial credit in that it gives the consumer the advantage of the increment of association.

49a. What is meant by the increment of association?

ANSWER. — The increment of association is the value of association together for self-protection or co-operative support. If each individual had to weave the cloth to make his own clothing, tan the leather and make his own shoes, grow and secure his own food and housing, travel to far-away lands for spices and fruits, many would have little of the comforts they now have. Our association together has increased our powers of provision a thousandfold.

49b. What is the limit of financial credit?

ANSWER.—Financial credit is that form of credit which arises from the financier's valuation of our real credit. When a city or a province has secured loans to such an extent that it is only able to pay the interest, but cannot pay any of the principal it has reached the financial limit of its own credit.

49c. What is the effect of financial credit on real credit?

ANSWER. — Financial credit is a constant drain on real credit. By its interest claims which are compounded from year to year it finally gets such a grip on real credit that it draws off its very life blood. Such is our present dilemma.

50. What is meant by the traditional type of mind?

ANSWER. — The traditional type of mind is that peculiar attitude which fears to try anything that has not been proven

by actual experience to be well founded. It hinders all progress. The engineering type of mind is that attitude which tests by all the principles of scientific research and then goes ahead to try out in practice what it has decided in theory. We need this type of mind to-day.

51. If Social Credit is introduced into Alberta, how will you prevent an enormous influx of unemployed?

ANSWER. — Merely coming into the Province of Alberta gives one no claim on the basic dividends issued. The qualifications of citizenship will be rigidly enforced. The unemployed would think twice before they came to a province where no dole or relief was issued.

52. Will the issuance of basic dividends not make the citizens lazy?

ANSWER. — Paying a man that which is his right does not tend to make him careless or indifferent. It can easily be proven that once a man begins to get money he gets an urge to get more.

53. What will be your attitude toward the development of the gas and oil fields?

ANSWER. — Social Credit stands for the decentralization of power. It would, therefore, support all individual effort and remove the monopolists' control of the large companies.

54. What effect will social Credit have upon crime?

ANSWER. — Poverty breeds crime. Since Social Credit is going to bring back prosperity and give food, clothing and shelter to the citizens, crime would be reduced. There would be no need of theft.

55. How long would it take you to introduce Social Credit into the Province of Alberta?

ANSWER. — That is a difficult question to answer with precision. Much information will need to be gathered. Expert investigation will have to be made. I would judge that fifteen or eighteen months might be required.

56. How will a man handle small purchases?

ANSWER. — He will issue a non-negotiable certificate to the State Credit House and secure loose change for that purpose.

57. How would we get the Dominion money to use when we wish it?

ANSWER.—Our experts and the services of men living in the Province working for the C.P.R., the Insurance Companies, the Post Offices and so forth, would constantly give us a claim upon the Banks which would bring the Dominion currency into our coffers.

58. Under Social Credit how would a person be able to travel?

ANSWER. — The same as they do to-day. They secure travellers' cheques before they begin.

59. If a citizen issued non-negotiable certificates above the amount he has on credit in the State Credit House, what would be the result?

ANSWER — Much the same as to-day. He would be warned about the wrong action and if he persisted in it his dividends might be suspended for a time.

60. (a) How can you possibly make a levy on imports or exports?

ANSWER. — The same as we are doing to-day. There is a levy on gas exported to-day and on gasoline imported.

(b) What is your attitude to the present interest rate?

ANSWER. — Social Credit is opposed to the present high rates and would take steps to reduce it. The wages of money must be made on a par with the wages of labor or goods.

We hope we have answered the majority of the questions that have puzzled the citizens of Alberta. If we have missed some problem that you are puzzling about we should be glad to hear from you so that we may include it in our next edition.

If you can see the possibility of a remedy for this depression in the proposals of Social Credit, I trust you may give it your heartiest support.

We feel that there will be many things that will have to be ironed out as the years go by. It is surely evident that if we never begin, we shall never make any headway. We are making history to-day. Let us stand shoulder to shoulder in our endeavor.